

Lease

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January 22, 2001

1. **Parties:** This indenture of lease is made this 17th day of January, 2001 between party of the first part, Stanley Thorne, hereinafter called Lessor, and party of the second part, Joe McAdams and wife Debra McAdams, wife, hereinafter called Lessee.
2. **Consideration:** Witnesseth that each of the aforesaid parties acknowledges the receipt of a valuable consideration from the other and that they and each of them act herein in further consideration of the engagements of the other as herein stated.
3. **Premises:** that Lessor has and does hereby grant, demise and lease unto the said Lessee the following described premises situated in the City of Southaven, County of Desoto, State of Mississippi, to wit:

The Premises recorded as lot 39C First Commercial and Industrial Subdivision, also known municipally 2150 W. Commercial Dr., and Improvements consisting of a commercial building of approximately 9600 square feet
4. **Term:** To have and to hold the above described premises for the period of:
6 year, 0 months commencing
on the 1 day of March, 2001
and ending 28 th day of February, 2007
5. **Rental:** Lessee hereby covenants and agrees to pay Lessor as rent for the aforesaid premises the sum of \$273,600.00 (Two Hundred Seventy Three Thousand Six Hundred dollars in 72 installments of \$3800 (Three Thousand Eight Hundred Dollars each. The first installment shall be due with the signing of this lease along with a security deposit of \$3800.

The second installment shall be due on or before the 1st day day of April 2001 and subsequent installments shall be due on the 1stth day of each succeeding month thereafter throughout the term of this lease and any extensions or renewals thereof.

All rentals due under this lease are payable at P.O. Box 772074, Memphis TN 38177 to the order of Tri-State Realty.
6. **Deposit:** A deposit of \$3,800 shall be paid with the first installment of this lease. This deposit shall be returned, in full at the end of the lease after all the terms and conditions of this lease have been met.. In the event of damage, unpaid rent or other charges are due at the end of this lease, then such damages, rent, or charges shall be deducted from the deposit and the remainder shall be paid to the lessor. The deposit is not to be construed as total liquidated damaged and lessor retains all rights to recover any damaged in excess of this deposit.
7. **Occupancy:** Occupancy shall be given at the commencement of this lease unless otherwise agreed to in writing by the Lessee and Lessor.
8. **Proof of payment:** the burden of proof of payment of rent in case of controversy shall be upon the Lessee.
9. **Lien on leasehold, etc.:** A first lien is hereby expressly reserved by the Lessor, and granted by the Lessee upon the terms of this lease and upon all interest of the Lessee in this leasehold, for the payment of rent and also for the satisfaction of any cause of action which may accrue to the Lessor by the provisions of this instrument. A first lien is also expressly reserved by the Lessor and granted by the Lessee upon all buildings, improvements, store fixtures, water fixtures and gas fixtures and all other fixtures erected or put in place or that may be erected or put in place upon the premises by or through the Lessee or other occupants for the payment of rent and also for the satisfaction of any causes of action which may accrue to the Lessor by the provisions of this instrument.
10. **Quiet possession:** The Lessor hereby covenants that if Lessee shall keep and perform all of the covenants of this lease on the part of Lessee to be performed, Lessor will guarantee to Lessee the quiet, peaceful and uninterrupted possession of the said premises.
11. **Lawful and Moral Uses:** Lessee covenants that the premises and all buildings and improvements thereon shall, during the term of this lease, be used only and exclusively for lawful and moral purposes, and so part of the premises or improvements thereon shall be used in any manner whatsoever for any purpose in violation of the laws of the United States, the State of Mississippi, or the ordinances and laws of the City of Southaven that are enforced.

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12. Protection from Violations: Lessee shall save and hold the Lessor harmless from violations of the law of the United States, State of Tennessee, and ordinances and laws of the City of Southaven.

13. Waste: Lessee shall not to commit or permit to be committed any waste of the demised premises, whatsoever.

14. Nuisances: Lessee shall not to create or allow any nuisance to exist on said premises, and to abate any nuisance may arise promptly and free of expense to Lessor.

15. Invalidation of insurance: Lessee shall not to suffer anything to be or remain upon or about the premises which will invalidate any policy of insurance which Lessor may now or hereafter have upon said building.

16. Insurance premiums: Lessee shall not allow anything to be or remain upon or about the premises nor carry on nor permit upon the premises any trade or occupation or allow to be done anything which may render an increased or extra premium payable for the insurance of the premises against fire, unless consented to in writing by the Lessor and if so consented to, the Lessee shall pay such premium within ten days after the Lessee shall have been advised of the amount thereof.

17. Advertising: Lessee shall not use outside walls, roofs or other exterior portion of the premises of any buildings or other improvements now or hereafter erected on the premises may be used for any advertising purposes, whatsoever, except for a sign advertising the Lessee's own business.

18. Alterations: Lessee shall not to make any changes, alterations, or additions about the said building or premises without first obtaining the written consent of the Lessor and in no event to do anything that shall weaken the building or structure now on or that may hereafter be erected on the premises.

19. Damages, Accidents, Etc.: Lessee agrees to hold Lessor harmless against all damages, accidents, and injuries to persons or property caused by or resulting from or in connection with any stairway, signs, awnings, glass, brick, and other building material, and any other things in or pertaining to any other parts of said premises, or things in or pertaining to, or upon the premises during the term of the lease or while the Lessee is occupying the premises

20. Insolvency, Etc, of Lessee: In the event of the insolvency or bankruptcy of the Lessee, or the filing of any petition under the bankruptcy statute, voluntarily or involuntarily, and whether or not resulting in an adjudication in bankruptcy, or in the event of a partial or general assignment for the benefit of a creditor, at any time thereafter the Lessor shall have the right to terminate this lease upon giving written notice thirty days in advance.

21. Delivery at End of Lease: On the expiration of the term of this lease Lessee shall deliver unto the Lessor the possession of said building, lot and premises, cleared of all person, goods and things no properly belonging to the same, and in as good order and condition as the same were received, destruction or damage by fire, storm or other casualty and ordinary wear and tear excepted.

22. Right of Entry Etc.: The Lessor reserves the right during the term of this lease, to enter said premises at reasonable hours to show the same to other persons who may be interested in renting or buying the property, and for the purpose of inspecting the premises and to make such repairs as Lessor may deem necessary for the protection and preservation of the said building and premises; but Lessor is not bound to make any repairs whatever, nor to be held liable for any damage in consequence of leaks, or for the stoppage of water, sewer, gas or drain pipes by reason of freezing or any other cause or obstructions, nor for any other defects about the demised building and premises, the Lessee having examined the same and being satisfied therewith; but should such leaks, obstructions, freezing, stoppages, or other defects about the building and premises occur during the term of this lease, or while the Lessee is occupying the premises, then the Lessee shall remedy the same promptly at the Lessee's expense unless the Lessor by written agreement undertakes to do the same.

23. Default of Rent, Etc. All covenants and agreements herein made and obligations assumed are to be construed also as conditions and these presents are upon the express condition that if Lessee should fail to pay, when due, any one of the aforesaid installments of rent, or should fail to perform or observe any of the covenants, agreements or obligations herein made or assumed by said Lessee, then and thenceforth, in any of said events, this lease may be forfeited and thereby become null and void at the options of the Lessor, and said Lessor may immediately, or at any time after the breach of any of said covenants, re-enter said premises and building, or any part thereof in the name of the whole, and repossess, and have the same as of Lessor's former estate, and remove therefrom all goods and chattels not thereto properly belonging, and expel said Lessee and all other persons who may be in possession of said premises and building, and that too without demand or notice.

- 24. Right to Terminate Not Exclusive:** The right of the Lessor to terminate this lease as herein set forth is, in addition to and not in exhaustion of, such other rights that the Lessor has or causes of action that may accrue to the Lessor because of the Lessee's failure to fulfill, perform or observe the obligations, agreements or covenants of this lease, and the exercise or pursuit by the Lessor of any of the rights or causes of action accruing hereunder shall not be an exhaustion of such other rights of causes of action that the Lessor might otherwise have.
- 25. Subletting:** the Lessee shall not assign or sublet the premises nor any part thereof without the written consent of the Lessor, but such written consent will not be unreasonably withheld, and in no event shall the subletting or assignment of this lease relieve the Lessee of any of the covenants, agreements and obligations imposed upon Lessee in this lease.
- 26. Destruction by Fire, Etc.:** Should the building upon the demised premises be totally destroyed by fire or other cause, or so damaged that rebuilding or repairs cannot be completed within 45 days from date of fire, or other cause of damage this lease shall terminate and the Lessee shall be allowed an abatement of rent from the date of such damage or destruction. However, if the damage is such that rebuilding or repairs can be completed within 45 day Lessor covenants and agrees to make such repairs with reasonable promptness and dispatch, and to allow Lessee an abatement in the rent for such time as the building is untenable, and the Lessee covenants and agrees that the terms of this lease shall not be otherwise affected.
- 27. Renewal:** No renewal of this lease will be binding on either party unless it be in writing and signed by the Lessor and the Lessee.
- 28. Waiver of Breach:** It is hereby mutually agreed that no waiver of a breach of any of the covenants of this lease shall be construed to be a waiver of any succeeding breach of the same or any other covenant.
- 29. Attorney Fees:** Lessee agrees to pay all costs of collection, including reasonable attorney fees, if all or any part of the rent reserved herein is collected after maturity with the aid of an attorney, also to pay reasonable attorney fees in the event it becomes necessary for the Lessor to employ an attorney to force the Lessee to comply with any of the covenants, obligations, or conditions imposed by this lease.
- 30. Going Business:** The Lessee hereby further covenants, that a going business shall be conducted in the within leased premises throughout the full term of this lease. Said business shall remain open at least during normal business hours.
- 31. Covenants Run to Heirs:** It is hereby covenanted and agreed between the parties hereto that all covenants, conditions, agreements and undertakings in this lease contained shall extend to and be binding on the respective heirs, executors, administrators, successors and assigns of the respective parties hereto the same as if they were in every case named and expressed: also that the terms Lessor and Lessee shall be construed in the singular or plural number according as they respectively represent one or more than one person.
- 32. Roof:** Lessee agrees to keep the roof of leased premises in good repair, and Lessor shall not be held or deemed liable for any damages to Lessee because of roof leaks, Lessee will use reasonable diligence to correct roof leaks. All other repairs to such damages caused by the acts of Lessee to be made by Lessee at Lessee's expense.
- 33. Insurance:** Lessee, at Lessee's expense, shall carry commercial general liability insurance, including contractual liability covering all business operations conducted at or from the leased premises in the minimum amount of \$1,000,000 combined single limits for liability, arising out of injury or death or damage to property arising out of any one occurrence. Lessee shall have Lessor named as an additional named insured and at all times furnish evidence of such coverage in form satisfactory to Lessor.
- 34. Renewal of Lease:** Ninety (90) days prior to the termination of the within lease, the Lessee shall notify the Lessor, in writing, of his intentions to further lease or not lease the subject premises upon the termination of this original lease. Lessee's failure to do so may be taken as effective notice of intent to allow termination of lease as scheduled herein.
- 35. Default:** Upon termination of the within lease by performance on the part of the Lessee or by default on the part of the Lessee, any and all improvements made upon the premises by the Lessee will become the sole and exclusive property of the Lessor.

36. **Utilities:** Lessee agrees to pay all electric, sewer, water, and gas fees.

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37. **Maintenance:** Lessee will inspect the heating, air-conditioning, electrical, and plumbing systems and notify Lessor of any deficiencies in said systems within 30 days of taking occupancy. Lessor shall cause any such deficiencies to be cured. Thereafter Lessee agrees that he will maintain the heating, air-conditioning, electrical, and plumbing systems, in herein leased premises and to pay any expenses necessary for the upkeep and maintenance of said systems.

38. **Other Maintenance:** Lessee shall be responsible for all other repairs and maintenance and shall pay for all repairs where damages are caused by burglary or vandalism to Lessor's premises.

39. **Taxes:** Lessee shall pay property taxes within upon notification by lessor of the amount due..

40. **Indemnify Harmless:** Lessee shall indemnify and hold Lessor harmless against any and all liabilities, claim, penalties, fines, forfeitures, suite and the cost and expenses incident thereto (including cost of defense, settlement and reasonable attorney's fees) for losses that may occur in the conduct of Lessee's business in or from the leased premises.

41. **Headings:** Any and all titles to this lease and paragraph headings are for convenience and are not to be construed as having any active part of this lease agreement.

42. **Notices:** All notices required to be given from Lessor to Lessee shall be given by registered or certified mail to the Lessee at the herein demised premises and all notices required to be given from the Lessee to the Lessor shall be given by certified or registered mail to: Stanley Thorne, 6605 Hunters Glen, Southaven MS, 38671 with a copy to Tri-State Realty, P.O. Box 772074, Memphis TN 38177.

43. **Eminent Domain:** If the whole or any part of the within leased premises shall be taken by any public authority under the power of eminent domain all damages awarded shall belong to and be the property of the Lessor, provided, however, that Lessor shall not be entitled to any separate award to Lessee which may be made to Lessee for the cost of removal of stock or fixtures.

44. **Late Penalty:** Should the rent payment be paid more than 10 days after the due date, then a late charge of 5%, rounded to the next highest dollar, shall be charged as additional rent.

45. **Agreement:** It is expressly understood and agreed by and between the parties hereto that this lease and any riders attached hereto forming a part hereof set forth all the promises, conditions and understandings between Lessor or his agent and Lessee relative to the leased premises, and that there are no other promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. It is further understood and agreed that no subsequent alteration, amendment, change or additions to this lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by them, and by direct reference therein made a part hereof.

46. **Disclaimer:** Should any provision provided for in this lease be ruled invalid or in conflict with any statute of any municipal authority by any court of competent jurisdiction, then any and all of the remaining provisions provided for in this lease shall remain in full force and effect.

47. **Purchase:** Lessee shall have the right to purchase this property with the following provisions.

This lease must not be in default of any terms or conditions spelled out herein.

The lease installments shall be applied to amortize the purchase price of \$425,000 at the rate of 8.75% per annum amortized over 19 year and 5 months. With a balloon note due on February 28, 2007 in the amount of \$358,927.00

48. **Commission:** Commission shall be paid to Tri-State realty by the Lessor at a rate commensurate with their usual rate as spelled out under a separate agreement.

In testimony whereof, the above named Lessor and the above named Lessee have executed this and two other original instruments of identical tenor and date, on the day and year set forth in clause 1 of this lease.

In witness hereof, Lessor and Lessee have duly executed this lease agreement on

Date January 22nd, 2001

Date January 22nd, 2001

Stanley Thorne
Stanley Thorne, Lessor

Joe McAdams
Joe McAdams, Lessee

6605 Hunter Glen Dr.

9156 Forrest Dr.

Southaven MS 38671
address

Southaven MS 38671
address

State Of Mississippi
County of Desoto

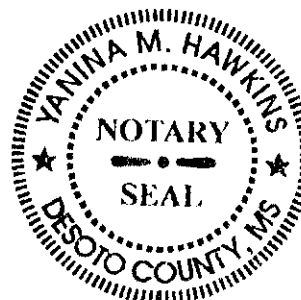
On this 26th Day of January 2001, before me in and for the said state county, duly commissioned and qualified, personally appeared Stanley Thorne and Joe McAdams, known to me to be the person(s) described in and who executed the foregoing instrument, an acknowledge that he executed the same as his free act and deed.

Witness my hand and Notarial Seal at office and day and year above.

Yanina M. Hawkins
Notary Public

MY COMMISSION EXPIRES:
FEBRUARY 27, 2004

My commission expires: _____



Prepared by:
Stanley Thorne
6605 Hunter Glen Dr.
Southaven, MS 38671
662-429-0422

STATE MS.-DESOTO CO.
FILED

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